

DRAFT**CHAPTER EIGHT****MANAGING THE INTELLIGENCE WORKFORCE FOR THE 1990s AND BEYOND**

The record clearly indicates that the intelligence agencies which have sufficient flexibility in their appointing and compensation personnel authorities to compete with the private sector were able to meet the challenge of large staff growth during the 1980s. This occurred at a time when most federal agencies, faced with continuing pay stagnation and negative remarks about "bureaucrats" from many political leaders, had difficulty competing in the employment market for talented people with highly sought technical skills.

While the panel's assessment is generally positive, there are areas in which improvements are needed in IC personnel systems to enable these agencies to perform their mission more effectively in the years ahead.

I. Flexibility and Strategic Planning

Because of the strategic trends in the intelligence function and the demographic, social and economic trends in U.S. society, neither Congress or the intelligence agencies can predict the exact nature of the future workforce or the skill mix the intelligence agencies will need to accomplish their missions most effectively. Flexible human resource management is crucial if the agencies are to meet the challenges of missions that will change as collection technology and threats to national security change.

Given this uncertainty, the panel reinforces its belief that the intelligence agencies need the flexibility to adjust appointment authorities, pay rates and other HRM components. Combined with strong leadership from agency heads, this discretion will be the best predictor that the intelligence agencies can meet their future workforce needs.

The panel fully supports the DCI's initiative to develop a strategic plan for the Intelligence Community, and anticipates this would become the basis for individual agency strategic planning. After its presentation and discussion with the new administration and, following that, congressional intelligence committees, it will provide the basis for improved human resource planning by each of the agencies.

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III. Support for Appropriate Rates of Pay

With the purchasing power of General Schedule pay having declined 23.6 percent since 1969 and given the compression within the Senior Executive pay level, it is no wonder that compensation issues receive the level of attention that they do.

The panel offers its strong support for recommendations contained in reports such as those of the President's Commission on Compensation of Career Federal Executives, the National Commission on the Public Service, and the Quadrennial Commission on Executive, Legislative and Judicial Pay.

IV. With Flexibility Comes Accountability

Within healthy organizations, there are defined responsibilities and clear lines to report on results of work. This, in essence, is a working definition of accountability. Within the federal public sector, there is an added component, in that agencies and departments report not only to the president through the heads of their organizations but to Congress, through the congressional oversight process.

Clearly, within the Intelligence Community, there are variations on the federal oversight process. While the classified nature of reporting to oversight committees may limit media reporting and thus general public knowledge, there is a great deal of policy interest in the agencies' work. This is in part reflected in the fact that IC agency officials tend to provide congressional testimony more often than many of their counterparts in other executive branch agencies.

The panel believes that congressional oversight needs to be strong, and that the staff who perform much of it on behalf of members of Congress need to be well versed in the results of agency activities. To a certain extent, they need to address issues of process or administrative practice. Ideally, however, these subjects would be addressed more by senior agency management, freeing the Congress for more substantive review of agency activities and mission accomplishment.

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The panel believes that the flexible personnel authorities it recommends can be effectively monitored through a combination of congressional and agency oversight. This should take the form of better communication among the agencies, better coordination between the agencies and the Intelligence Community Staff, and consistent agency reporting on human resources to the congressional intelligence committees. The key to all good oversight is "no surprises" -- more professionally expressed as better communication.

In its October 1988 report on **Congressional Oversight of Regulatory Agencies: The Need to Strike a Balance and Focus on Performance**, the National Academy of Public Administration panel offered several relevant recommendations. Among them are:

Congress and the executive should seek to develop a balance in their oversight relationships that avoids excessive antagonism, at the one extreme, or capture at the other.

Congress needs to concentrate on a systematic, long-term analysis of laws and programs. Ad hoc oversight should be integrated with this work.

At the beginning of each Congress, committee and subcommittee chairs and ranking minority members from both chambers should meet with the agency heads... to exchange views about those areas of agency activity that should be the focus of specific oversight efforts.

Committees ... should establish more executive-legislative staff exchange programs and recruit individuals with executive-branch experience for staff positions.

Congress should ensure that agencies engage in more thorough, systematic, and comprehensive evaluations of the programs they administer.

With these thoughts in mind, the panel concludes its report on the intelligence agencies' personnel systems. The Congress and the IC agencies have laid a sound foundation for effective human resource management. The panel believes it has offered recommendations which, if effectively implemented, will enhance the agencies' abilities to meet the challenges of the future.

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The panel encourages the individual agencies and Congress to continue their efforts to anticipate workforce changes and develop human resource management systems to help address these issues. With an on-going partnership, the panel is confident that the agencies and Congress can work together to assure that the intelligence workforce will be able to fulfill the missions required of it throughout the 1990s and beyond.

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